

**TOWN OF LAHOMA
GARFIELD COUNTY, OKLAHOMA**

**ACCOUNTANT'S REPORT
AGREED UPON PROCEDURES**

**FISCAL YEAR ENDED
JUNE 30, 2013**

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF LAHOMA
GARFIELD COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Theresa Sharp
Stephanie Spomer
Lila Logan-Jansonius
Con Pekrul
Stephen Cahoon

Chair
Vice-Chair
Member
Member
Member

Karen Naugle
Kay Davidson

Clerk
Treasurer

John Wynne

Town Attorney

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WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT

121 S. NOBLE AVE. – P. O. BOX 181
PHONE 580-623-5071
TOLL FREE 800-230-7672

WATONGA, OKLAHOMA 73772
FAX 580-623-5072
WGAUER@GAUERCPA.MYGBIZ.COM

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Lahoma
Lahoma, Oklahoma

Trustees of the Lahoma Public Works Authority
Lahoma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Lahoma and Public Trusts, Example, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Town of Lahoma and Public Trust

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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Lahoma is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Lahoma** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Lahoma Public Works Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

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4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Lahoma and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


NOVEMBER 11 2013

Exhibit A
Town of Lahoma
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Additions	Deletions	End of Year
	Fund Balances			Fund Balances
TOWN:				
General Fund				
Checking	\$ 64,990	\$ 229,667	\$ 242,047	52,609
Certificate of Deposit	35,000	199	199	35,000
Total General Fund	99,990	229,865	242,246	87,609
Capital Assets	320,493	65,296	66,269	319,520
Capital Leases	-	10,583	63,496	(52,913)
Street & Sewer Sales Tax	23,147	13,347	-	36,494
Municipal Court Fund	27,628	61,589	48,193	41,024
Grant Fund	135	4,484	3,069	1,550
Town Subtotal	471,393	385,165	423,274	433,284
Public Works Authority				
Utilities Fund	79,332	150,306	144,956.84	84,682
Customer Deposit Fund	11,490	5,013	4,038	12,465
Capital Assets	477,791	-	20,149	457,642
PWA Subtotal	568,614	155,319	169,145	554,788
Overall Totals	\$ 1,040,006	\$ 540,484	\$ 592,418	988,072

Exhibit B
Town of Lahoma
Budgetary Comparison Schedule General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 99,404	\$ 99,404	\$ 99,990	\$ 586
Resources (Inflows):				
Taxes:				
Franchise Tax	68,409	68,409	106,630	38,221
Sales Tax	17,398	17,398	19,657	2,259
Use Tax	5,639	5,639	6,564	925
Tobacco Tax	1,310	1,310	1,385	74
Total Taxes	92,756	92,756	134,236	41,480
Intergovernmental:				
Motor Vehicle Tax	3,733	3,733	4,946	1,213
Alcoholic Beverage Tax	1,793	1,793	1,477	(315)
Gas Excise Tax	994	994	-	(994)
State Grants	-	-	-	-
Investment Income	305	305	370	65
Miscellaneous Income				
Police Fines	48,137	48,137	46,628	(1,510)
Hall Rent	720	720	700	(20)
Sale of Property	-	-	11,500	11,500
Licenses/Permits	-	-	-	-
Miscellaneous	772	772	22,545	21,773
Other Financing Sources:				
Transfer from Other Funds	-	-	7,264	7,264
Amounts available for appropriations	248,613	248,613	329,657	81,043
General Government:				
Personal Services	38,000	38,000	50,606	12,606
Maintenance and Operations	59,138	59,138	74,592	15,454
Capital Outlay	-	-	14,305	14,305
Police Department:				
Personal Services	97,138	97,138	139,503	42,365
Maintenance and Operations	67,500	67,500	52,018	(15,482)
Capital Outlay	37,500	37,500	35,884	(1,616)
Other Financing Uses:				
Transfers to other funds	105,000	105,000	87,902	(17,098)
Total Charges to Appropriations	248,613	248,613	242,047	(6,566)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 87,609	\$ 87,609

Lahoma Public Works Authority
Garfield County, Oklahoma
Exhibit C

Statement of Activities
For the Fiscal Year Ended June 30, 2013

<u>Revenues</u>	
Sewer	\$29,671
Trash	50,176
Water	75,334
Miscellaneous	0
Total revenues	<u>155,181</u>
<u>Expenditures</u>	
Personnel Services	30,247
Administrative	13,490
Sewer	3,630
Water	3,272
Benefits	6,786
Sewer Operations	43,308
Trash Operations	48,262
Water Operations	20,149
Depreciation	
Total expenditures	<u>169,145</u>
Operating Income	(13,964)
Other Income	-
Transfer from Other Fund	<u>138</u>
Interest Income	<u>138</u>
Increase in Net Assets	(13,826)
Beginning net assets	<u>568,614</u>
Ending net assets	<u><u>\$554,788</u></u>

Town of Lahoma
Garfield County, Oklahoma
Schedule of Grant Awards,
Revenues and Expenditures
For Year Ended June 30, 2013

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
NODA Operational Grant		\$ 4,484.35	4,484	4,484
Fire Department			0	0
			0	0
Total		4,484.35	4,484.35	4,484.35

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditors' report.